

**Statement by Connie Keogh**  
**Chair of Northern Plains Resource Council's Task Force on Clean Energy**  
**SB332: Increasing Montana's Renewable Energy Standard**  
**Montana State Senate, Committee on Energy and Telecommunications**  
**February 17, 2011**

Mr. Chairman, members of the Committee, my name is Connie Keogh, and I am from Absarokee, Montana where my family owned a family ranch and outfitting business for much of the last century. I am the current chair of the Clean Energy Task Force of the Northern Plains Resource Council, a grassroots conservation and family agriculture organization that organizes Montana citizens to protect our water quality, family farms and ranches, and unique quality of life. I am here today representing our members.

Northern Plains believes in Montana's potential to lead and win in a new, clean energy economy. The people of Montana have the determination and work ethic to build this new economy using our homegrown resources – wind, solar, biomass, and biofuels – that will never run out. Increasing this state's renewable energy standard is the signal they need from you to say that this state is open for business and that we are committed to leading this country towards a more secure and prosperous future.

While the benefits of developing our abundant renewable resources are good for all Montanans, I believe they are especially good for rural Montana. Unfortunately, these parts of the state lag behind other urban areas in many of the leading economic indicators. For example, average income in rural Montana is more \$4000 less than in urban areas, the unemployment rate is higher, and the poverty rate sits at 15.5%, according to the USDA's Economic Research Service. It is well known that our family farmers and ranchers – hard working and dedicated individuals that contribute to our economy and deliver this country's food and fiber – are aging, and we are losing family farms and ranches as well as the communities and traditions they support by the day to out of state interests.

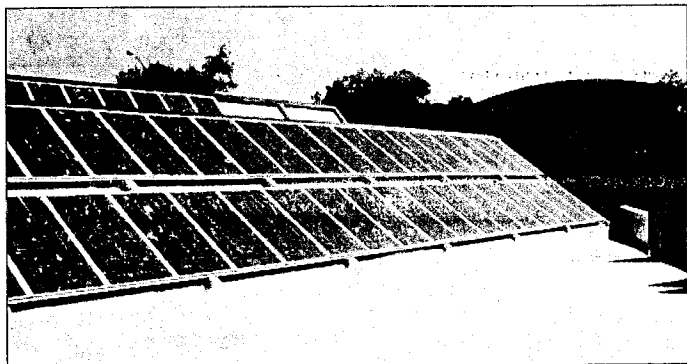
Developing our renewable resources is an important piece of the puzzle to creating new opportunities for building rural prosperity in this state. As you heard from Senator Van Dyk this bill means more good, high paying jobs in this state, new revenue to county and local governments to build our roads and schools, and a much needed source of additional income that means more farmers and ranchers can stay on the land that their family has worked for generations.

I do not believe that public policy is about headlines, ideology, or party affiliation. Those are not the things that have brought any of us to this room today. Public policy is about making people's lives better – creating opportunity for people to work hard, play by the rules, and make a fair and honest living for themselves and their family. That is what this SB 332 is about – building a better future for Montana by creating the jobs we need and leading this country in a new energy economy. Montanans are up for the task – put us to work.

Thank you, and I urge a do pass on SB 332.

*Connie Keogh*

# RENEWABLE ENERGY STANDARD



**Northern Plains Resource Council's campaign to increase the amount of energy Montana utilities produce from sun and wind to 25 percent by 2025.**

In 2005, the Montana Legislature passed the Montana Renewable Power Production and Rural Economic Development Act, known simply as the state's Renewable Energy Standard (RES). The central provision of the law requires Montana's regulated utilities (NorthWestern Energy and Montana-Dakota Utilities) to supply 15 percent of their electricity

from new, clean renewable sources by 2015. The law has guaranteed consumers a source of long-term affordable power, put

Montanans to work in a growing clean-energy economy, and kept more of the money consumers spend on energy right here in Montana. Today, the state produces about 370 megawatts of wind energy, up from 2 MW the year the law was passed. The RES sends a clear

A strong Renewable Energy Standard sends a clear signal to wind and other clean-energy companies that Montana is the place to set up shop and develop new projects.

economic signal that we want a clean, affordable, and renewable supply of energy in Montana.

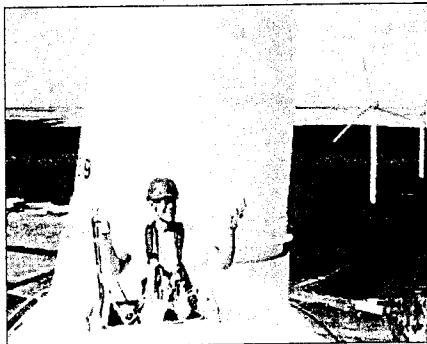
As regulated utilities near their compliance with the law in 2015, the Legislature should continue to endorse the benefits that new renewable energy production has for Montana by increasing the standard to 25 percent

by 2025. It should also retain central elements of the existing law, most notably the community scale provision that requires

a certain percentage of new renewable power to come from distributed, locally owned projects. An increase in the RES means more consumers will have access to the affordable, homegrown power that brings jobs and economic development to this state.

## Putting Montanans to work with good-paying jobs

Renewable energy development has brought more good-paying jobs to local communities in Montana. A typical 100 MWh wind project supports between 100-155 construction phase related jobs and 10-11 permanent jobs through the lifetime of the project. The 135 MW Judith Gap project north of Harlowton has brought 12 permanent full-time jobs to Wheatland, Fergus, and Judith Basin counties and contributed nearly \$30 million to the



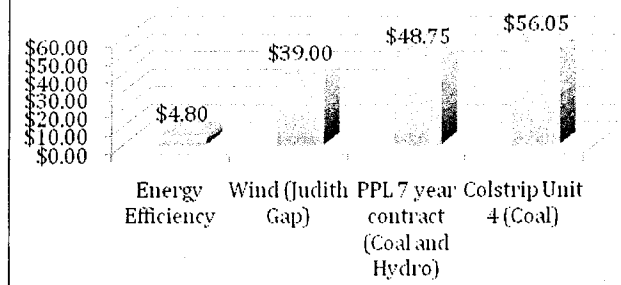
Montana economy. As a result, more hard-working families are able to stay right here in Montana.

Montana can create more good-paying jobs by expanding the current RES. Colorado has passed an RES that requires 30% of the state's energy to be sourced from new renewable projects by 2020.

Job growth in Colorado in the clean energy sector has grown 90 times faster than in Montana.

# WIND: AN ENERGY SOURCE THAT NEVER RUNS OUT

## NorthWestern Wholesale Cost of Power (MWh) June 2009-June 2010



Wholesale cost of power, provided in testimony by NorthWestern Energy, July 2010

## Renewables = cheap, affordable power

Clean, renewable power offers consumers a cheaper, least-risk option in an uncertain energy future. That keeps more money in the pockets of hard working Montanans. According to NorthWestern's filings with the state's Public Service Commission, new wind power purchased to meet the RES has been cheaper than the traditional mix of coal and hydroelectricity, even when extra costs are considered to manage the variability of wind.

An increase to the RES means a commitment to providing Montana consumers with cheaper energy bills today and in the future.

## Renewables bring rural prosperity

Renewable power does not only mean cheaper energy bills; it also means a commitment by the Legislature to building prosperity in rural Montana. The law has generated millions of dollars for local county and municipal governments in the form of capital investment and property tax revenues, making significant contributions to the quality of life in rural Montana. The community provision of the current law is an important element that ensures that the benefits of new renewable projects are distributed across the state, mandating that at least 75 MW of the standard be produced from projects with "local owners."

New wind projects in Glacier and Toole counties will mean \$3.6 million in property tax revenue for the two counties for 2010. On average, the Judith Gap wind project contributes more than \$1 million in revenue to Wheatland County. Additionally, 75% of the construction for that project went to Montana contractors.

New wind generation can also be an important tool for providing family farmers and ranchers with an important additional source of income to help keep them on the land producing our food and fiber. A typical turbine can pay landowners \$4,000-\$10,000.<sup>1</sup> These turbines do not affect traditional ag operations.

<sup>1</sup>Wind Working Group, a consortium of businesses who want to put up wind turbines in Montana.

## Keep informed! Take action! Join

Northern Plains Resource Council is a conservation and family agriculture group that organizes Montana citizens to protect our water quality, family farms and ranches, and unique quality of life.

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